



# OCFO BULLETIN

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From the Desk of  
**EDMUNDO A. GONZALES**  
Chief Financial Officer

Along with Acting Deputy Secretary Cynthia Metzler and Jim McMullin, Deputy Assistant Secretary for Budget, I will appear tomorrow before the Subcommittee on Labor, Health and Human Services, and Education of the House Appropriations Committee during its hearing on the Departmental Management budget request. We will testify on departmental management issues, and I will focus on work to improve financial management within the DOL.

Again this year, the OIG has determined that our financial statements were fairly presented. The DOL is recognized government-wide for the integrity of its financial data. For FY 1995, the OIG made 32 new recommendations relating mostly to the operation of specific funds or programs. It is pleasing to note that the number of proposed audit adjustments (37) and the net effect of those adjustments on assets (0.11%) were at their lowest levels since 1992. Inasmuch as the financial statements are the cumulation of a systematic accounting process, credit for the Department's success needs to be extended to everyone involved in financial management--the DOL agencies and the national and regional OASAM offices. I thank you for your commitment and fine work.

The Government Management Reform Act (GPRA) of 1994 institutionalizes the preparation of agency financial statements, and requires the preparation of a government-wide financial statement. These requirements are likely to increase the visibility of government accounting and financial management, and government accountants and financial managers. It is possible that GPRA will also accelerate further the timeframe for compiling and auditing the consolidated financial statements. I look forward to working with the DOL financial management community as we, and the rest of government, reach for this new goal.

As Chair of the Human Resources Committee of the Chief Financial Officer's Council, I am also committed to improving retention, performance and training of financial management personnel within the DOL and the Federal Government. Based on the assumption that our financial people are key to financial management success, the Committee is working toward instituting guidelines that the CFOs and other financial management organizations can use to meet both the Government's priority in attracting the most talented personnel and employees' goals in professional development. The Committee will be sponsoring single issue forums on financial management issues and initiatives to facilitate sharing of best practices within the financial management community government-wide.

We are now deeply engaged in the process of selecting a Deputy CFO. The field of candidates has been reduced to three, and we expect to complete the interviews over the next three weeks. Hopefully, I will be able to announce my selection to you in the next Bulletin. Thank you again for your hard work.

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## EVENTS CALENDAR

### DOLAR\$

05/28/96      May WCF Cycle

### REGIONAL TELECONFERENCE SCHEDULE

<u>Date</u>	<u>Day</u>	<u>Time</u>
06/05/96	Wednesday	2:00 p.m.

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## OPERATIONS, DEVELOPMENTS, AND EVENTS

1. WCF Committee Meeting. A WCF Committee meeting has been scheduled for Thursday, May 16, 1996, at 10:00 a.m. in Room C-5515, Seminar Room 3. The primary agenda items are the FY 1996 financial status of the WCF and the billing strategy for the Training and Development Center.
2. May WCF Cycle. The date for running the May WCF cycle is May 28, 1996. Agency redistribution will be allowed May 29-31, 1996. The OASAM servicing finance offices should ensure, as much as possible, that WCF expenditures for April have been recorded in DOLAR\$ by May 24, 1996.
3. DOLAR\$ Fund Control Edits. We expect that OMB will issue apportionments before the end of the month and that the Office of Budget will issue allotments as quickly as possible. As you know, DOLAR\$ fund control edits have been inactive during the period of the various continuing resolutions. As soon as allotments are issued, DOLAR\$ fund control edits will take affect. We will let you know in advance of implementing fund control.
4. Current Assets Management Annual Certification (CMAC). Department of Labor Agencies and OASAM Regional Offices are in the process of completing the CMAC cash flow forms that were provided by the Financial Management Service (FMS), Department of Treasury. Agencies are required by Volume I of the Treasury Financial Manual (TFM), Chapter 6-8000, to annually update their cash flow information. The FMS uses the CMAC to determine if an agency's cash management practices meet the standard set forth in the TFM. The CMAC also enables FMS to gather and track statistics on the use of Electronic Funds Transfer (EFT) which agencies are now required (under 31 CFR Part 206) to use whenever cost effective, practicable, and not contrary to statute.

The Deficit Reduction Act of 1984 established cash management standards in order to make the Government more aware of the time value of money. The Cash Management Improvement Act of 1990 (CMIA) expanded the cash management regulatory role to include the disbursement of funds. In addition, the TFM requires periodic Cash Management Reviews and annual certifications of cash management practices. The most recent Cash Management Reviews were completed by DOL Agencies for FY 1994 as part of the Current Assets Management Review and Analysis (CAMRA).

5. Debt Collection Improvement Act of 1996. The Debt Collection Improvement Act of 1996 was signed into law on Friday, April 26, 1996. It was effective on that day. The purposes of the act, as listed in the opening section, are as follows:

**OPERATIONS, DEVELOPMENTS, AND EVENTS (Continued)**

- (1) To maximize collections of delinquent debts owed to the Government by ensuring quick action to enforce recovery of debts and the use of all appropriate collection tools.
- (2) To minimize the costs of debt collection by consolidating related functions and activities and utilizing interagency teams.
- (3) To reduce losses arising from debt management activities by requiring proper screening of potential borrowers, aggressive monitoring of all accounts, and sharing of information within and among Federal agencies.
- (4) To ensure that the public is fully informed of the Federal Government's debt collection policies and that debtors are cognizant of their financial obligations to repay amounts owed to the Federal Government.
- (5) To ensure that debtors have all appropriate due process rights, including the ability to verify, challenge, and compromise claims, and access to administrative appeals procedures which are both reasonable and protect the interests of the United States.
- (6) To encourage agencies, when appropriate, to sell delinquent debt, particularly debts with underlying collateral.
- (7) To rely on the experience and expertise of private sector professionals to provide debt collection services to Federal agencies.

A summary of the major aspects of the Act is provided at the end of this Bulletin.

6. Revised OMB Circular A-125 on Prompt Payment. OMB has issued a final draft of its revised Prompt Payment Circular. The major changes in the Circular are as follows:

- (1) Providing guidance on electronic document exchange and electronic payments
- (2) Providing guidance on accelerated payments methods
- (3) Reducing compliance reporting requirements
- (4) Incorporating requirements of the CFO and FMFIA Acts
- (5) Aligning government rules with those prevalent in the commercial sector
- (6) Requiring vendors to supply a Taxpayer Information Number (TIN) on all invoices
- (7) Clarifying the language; making the document easier to follow
- (8) Making the document available on the Internet (note: the final draft is not there)

Hopefully, the final document will continue to include the requirement for TIN's--this should facilitate our accounts payable processing, especially through the A/P Subsystem. The final publication of the

**OPERATIONS, DEVELOPMENTS, AND EVENTS (Continued)**

revised A-125 is expected to occur in August 1996.

7. **Treasury Sponsored Training.** Department of Treasury's Center for Applied Financial Management is offering three workshops this summer. To register, call the Center at (202) 874-9640.

**SF-133 Workshop** This one-day workshop presents changes to the SF-133, including line-by-line descriptions of document sections and a Standard General Ledger (SGL) crosswalk to the SF-133. Highlights aspects of GOALS submissions.

Cost: \$195 (includes lunch)  
Dates: June 3, June 4, July 8 or July 9  
Locations: June classes at Sheraton Reston Hotel, Reston, VA  
July classes at Hyatt Regency, Bethesda, MD  
Time: 8:30 - 4:30  
CPEs: 8

**Unlocking Key Reports** This two-day course emphasizes purpose, content and connections between the SF-224, SF-133, FMS 2108, report on receivables, FACTS reporting and the principal Form and Content Statements. Defines basic terms, shows where reports should agree and describes how central agencies use them.

Cost: \$310  
Dates: May 23-24 or June 6-7  
Location: The Center for Applied Financial Management, DC  
Time: 8:30 - 4:30  
CPEs: 16

**1996 Year-End Closing Seminar** This one-day class focuses on the year-end closing financial statements and reports. Highlights the latest OMB circular and TFM requirements for Federal financial reporting, Concurrent sessions devoted to year-end closing topics. Divided into basic and advanced.

Basic includes preparation of the FMS Form 2108; FACTS/ATB reporting; preparation of financial statements; and revised SF-133.

Advanced includes entity and display; form and content; auditing financial statements; changes and updates to the SGL; and FFS year-end closing procedures.

Cost: \$195  
Date: August 20  
Location: Hyatt Regency, Capital Hill, DC  
Time: 8:00 - 4:30  
CPEs: 8

**DOLAR\$ AVAILABILITY SCHEDULE****May 15, 1996, through June 30, 1996**

Following are the dates and hours that DOLAR\$ will be available from May 15 through June 30, 1996. Any Agency Financial Manager or Regional Financial Officer who requires a change to this schedule should call Norman Perkins on (202) 219-8314.

**MAY 1996**

Thursday	May 16	8:00 a.m. to 8:00 p.m.	Friday	May 24	<b>8:00 a.m. to 3:00 p.m.</b>
Friday	May 17	8:00 a.m. to 8:00 p.m.	Saturday	May 25	System Closed
Saturday	May 18	System Closed	Sunday	May 26	System Closed
Sunday	May 19	System Closed	Monday	May 27	<b>System Closed</b>
Monday	May 20	8:00 a.m. to 8:00 p.m.	Tuesday	May 28	8:00 a.m. to 3:00 p.m.
Tuesday	May 21	8:00 a.m. to 8:00 p.m.	Wednesday	May 29	8:00 a.m. to 8:00 p.m.
Wednesday	May 22	8:00 a.m. to 8:00 p.m.	Thursday	May 30	8:00 a.m. to 8:00 p.m.
Thursday	May 23	8:00 a.m. to 8:00 p.m.	Friday	May 31	8:00 a.m. to 8:00 p.m.

**JUNE 1996**

Saturday	June 1	System Closed	Sunday	June 16	System closed
Sunday	June 2	System Closed	Monday	June 17	8:00 a.m. to 8:00 p.m.
Monday	June 3	8:00 a.m. to 8:00 p.m.	Tuesday	June 18	8:00 a.m. to 8:00 p.m.
Tuesday	June 4	8:00 a.m. to 8:00 p.m.	Wednesday	June 19	8:00 a.m. to 8:00 p.m.
Wednesday	June 5	8:00 a.m. to 8:00 p.m.	Thursday	June 20	8:00 a.m. to 8:00 p.m.
Thursday	June 6	8:00 a.m. to 8:00 p.m.	Friday	June 21	8:00 a.m. to 8:00 p.m.
Friday	June 7	8:00 a.m. to 8:00 p.m.	Saturday	June 22	System Closed
Saturday	June 8	System Closed	Sunday	June 23	System Closed
Sunday	June 9	System Closed	Monday	June 24	8:00 a.m. to 8:00 p.m.
Monday	June 10	8:00 a.m. to 8:00 p.m.	Tuesday	June 25	8:00 a.m. to 8:00 p.m.
Tuesday	June 11	8:00 a.m. to 8:00 p.m.	Wednesday	June 26	8:00 a.m. to 8:00 p.m.
Wednesday	June 12	8:00 a.m. to 8:00 p.m.	Thursday	June 27	8:00 a.m. to 8:00 p.m.
Thursday	June 13	8:00 a.m. to 8:00 p.m.	Friday	June 28	8:00 a.m. to 8:00 p.m.
Friday	June 14	8:00 a.m. to 8:00 p.m.	Saturday	June 29	System Closed
Saturday	June 15	System Closed	Sunday	June 30	System Closed

## **SUMMARY OF DEBT COLLECTION IMPROVEMENT ACT OF 1996**

### Enhanced Administrative Offset Authority

This section creates separate operational authority for conducting government-wide administrative offset at the disbursing offices of the United States. Due process and other procedural standards which currently exist under 31 U.S.C. 3716 would still apply. Federal debts would be offset against certain Federal payments. VA benefits payments (Social Security, Railroad Retirement, and Black Lung) would be subject to a \$9000 annual benefit payment exemption from offset in order to prevent hardship upon beneficiaries. The Secretary of the Treasury would be authorized to exempt additional classes of payments from offset.

### Enhanced Salary Offset Authority

This section establishes an annual matching requirement for salary offset. Routine adjustments to salary of amounts of \$50.00 would be exempt from the costly due process requirements currently in existence.

### Access to Taxpayer Identifying Number

This section requires Federal agencies to obtain taxpayer identifying numbers from individuals doing business with the Government, including recipients of credit, licenses and permits, benefits and contractors.

### General Extension of the Debt Collection Act of 1982 Authorities

Authorities under the Debt Collection Act are extended to the legislative branch and the judicial branch of the Federal Government.

### Barring Delinquent Debtors from Obtaining Federal Credit

Debtors with outstanding non-tax Federal debts in delinquent status will be barred from obtaining Federal credit assistance in the form of a loan or loan guarantee. The head of an agency would have the authority to waive this barrier, and loans to disaster victims would not be subject to this prohibition.

### Credit Reporting

All debts owed to the Federal Government, delinquent and non-delinquent, could be reported to credit bureaus.

### Government-wide Cross-Servicing

Agencies will be able to make agreements with other Federal agencies which have been designated 'debt collection centers' to cross-service Federal debts. Treasury will designate the debt collection centers. While agencies seeking services would have to pay for the service, the cost of such services should be less than if the agency had to perform servicing itself. Agencies

that will cross-service debts will be able to collect their fee from amounts collected, rather than have to deposit the funds in the Treasury general fund and bill the creditor agency. The bill also provides for mandatory transfer of claims to the Department of the Treasury after 180 days where inadequate collection action is being taken to recover the debt.

#### Gainsharing

Agencies which improve their debt collection over a previous year's baseline, shall be able to deposit portion of the amount of the improvement into a fund. Monies deposited into the fund may be expended by the agency to improve its debt collection processes. OMB will set the baseline, in consideration of agencies' and Treasury's recommendations, and Treasury will manage the fund.

#### Tax Refund Offset

The disbursing officials of the Department of the Treasury (Financial Management Service) would be authorized to conduct the Tax Refund Offset Program. It is contemplated that this offset procedure and the general administrative offset procedure would be combined at FMS, to enhance efficiency and to prevent unauthorized disclosure of any taxpayer information.

#### Contracting With Private Attorneys

The Department of Justice's temporary authority to contract with private attorneys to collect Federal debts is now permanent, as well as expanded to all jurisdictions.

#### Wage Garnishment

This provision authorized the administrative garnishment of up to 15 percent of a debtor's disposable pay, if the individual is not making required repayment in accordance with any agreement between the agency head and the individual.

#### Debt Sales by Agencies

This section authorizes sales of delinquent debt to the private sector for debts delinquent over 90 days, and require such sales for debts after termination of collection action, if sale is determined by the Secretary of the Treasury to be in the best interest of the United States.

#### Electronic Funds Transfer

This section mandates the use of Electronic Funds Transfer for all new payments after 90 days from enactment, and all payments by 1999. Authority would rest with the Secretary of the Treasury to grant exemptions to this requirement